

11 NOVEMBER 2004

**REPORT OF THE
DIRECTOR OF RESOURCES**

Portfolio: RESOURCE MANAGEMENT

**Subject: COUNCIL TAX, BUDGET AND MEDIUM TERM FINANCIAL
 PLANNING CONSULTATION 2005/06 – 2007/08**

1.0 SUMMARY

This report sets out proposals for engaging Council Taxpayers in the 2005/06 Council Tax and Budget setting process and the development the Medium Term Financial Plan, covering the period 2005/06 to 2007/08.

2.0 RECOMMENDATIONS

It is recommended that

1. The Council commissions NWA Social and Market Research to undertake a Council Tax and Budget consultation process in respect of the 2005/06 Budget cycle and draft Medium Term Financial Plan 2005/06 to 2007/08 as detailed in the report, for a fee of approximately £7,000.
2. That a payment of £30 be made to those Council Taxpayers who fully participate in the Focus Group sessions.

3.0 DETAIL

Background

- 3.1 All local authorities are encouraged to consult Council Taxpayers before reaching decisions on the level of their budgets and subsequent Council Tax charges. The feedback as a result of this consultation is intended to inform the decision-making process, not replace it.
- 3.2 The Council has undertaken Council Tax consultation exercises in each of the last two years and Norma Wilburne Associates, Social and Market Research (NWA), the Councils preferred supplier of market research services, have been commissioned to facilitate the consultation process previously.

Previous Consultations

- 3.3 Previously consultation has been carried out, in the main, by means of small focus groups undertaking a series of meetings at local venues across the Borough. Last years consultation involved three stages:

1st tranche – Plenary meeting at Spennymoor Leisure Centre (Saturday AM)

- information and education to the groups on the Council's Budget setting process, likely resource availability, Group 1 policy outcomes/associated priority services. Group discussions on Council Tax levels over the medium term;

2nd tranche – Local Focus Groups (3 Off)

- information and education to the groups on the Revenue Support Grant settlement and impact on 2004/05 Council Tax levels.
- feedback on requirements of the groups for further information to ensure complete understanding of the process
- the groups collective and individual priorities and aspirations for the medium term for the Borough and, finally,

3rd tranche – Local Focus Groups (3 Off)

- information and education to the groups on the draft budget considered by Cabinet on 8 January.
- Groups' comments and feedback on draft proposals (in line with formal consultation process)

3.4 The 2003/04 consultation process was also a multi stage process:

Quantitative survey

- Self completion, postal survey of Citizens' Panel Members looking at service priorities;

1st tranche - Focus Groups (3 Off)

- informing and explaining the budget setting process and gaining an understanding of participants' initial views and priorities;

2nd tranche of Focus Groups (3 Off)

- allowed the Council to respond to queries from the groups prior to them commenting on draft Council proposals. Both qualitative and quantitative responses were sought from these groups.

3.5 As part of previous consultation exercises, participants have been asked to complete a short questionnaire, providing their feedback on the process. NWA concluded that 'it was generally believed that the budget consultation exercise had worked very well and that the respondents had seriously and maturely considered the issues facing the Council in arriving at recommendations which addressed these issues'.

3.6 Whilst identifying a number of major strengths, a detailed review of feedback has also identified a perceived weakness in the process, centred on the fact that local focus groups have been used extensively in the last two years and, because of the geographical nature of the groups/venues, the discussions and questions raised tended to be more local/parochial issues - at the expense (sometimes) of corporate cross cutting/borough wide issues.

2005/06 Proposals

3.7 Preliminary meetings have been held with NWA to discuss the progress the Council has made over the last year (post CPA) in developing its corporate and medium term financial planning frameworks. It is important that the consultation process this year addresses not only the 2005/06 Budget/Council Tax setting process but also obtains input/feedback on the draft Medium Term Financial Plan

2005/06 to 2007/08 – including priority investment areas and key actions over that period.

- 3.8 This years exercise, whilst retaining a geographical representation overall, should address the overall, strategic requirements of the Borough as a whole. NWA recommend that local groups meeting in large plenary sessions and then breaking into their smaller groups during the proceedings could best achieve this. Given that the Council's Medium Term Plan is nearing completion and that this has been formed from previous consultation exercises, the opportunity also exists to consult on the service development priorities for action within this.
- 3.9 In a change to previous years, where my staff, and I have solely undertaken the consultation, NWA has suggested that, if possible, representatives from the major General Funded spending departments (Neighbourhood Services, Leisure Services and Regeneration) responsible for the provision of services set out their proposals / priority actions over the medium term. This would allow these service heads to be questioned on their future spending or service improvement plans and for the groups to discuss their own priorities for action and these priorities to be reported on as part of the consultation process.
- 3.10 NWA propose that the consultation exercise is again a multi stage process, but that two meetings are held at a single large, central venue (Council Offices suggested) and break out into smaller, geographically recruited, groups as part of the 'education' process. Specifically:

1st Meeting

- 3.11 Provisionally agreed for late November/ early December at the Councils Green Lane Offices. This session will again be led by the Director of Resources and key finance staff, who will set out the Council's current financial situation and the annual budget setting process, together with the constraints and opportunities facing the Council. In a break from previous years, this would also include some indication of likely three-year Council Tax increases.
- 3.12 The meeting will introduce the concept and content of the Council's Corporate Plan and make specific links to the Community Strategy. Following a question and answer session to allow for clarification of these issues the meeting will break down into geographically based 'task groups' who will each be addressed by a service head. It is proposed that the issues and key plans to be discussed with the representatives identified above are sent out as part of the pre-information pack to participants. This would also assist in the development of a questionnaire for distribution following the meeting. In this way the overall and individual priorities would be discussed and quantified.
- 3.13 The meeting would reform, over a buffet lunch, to discuss the issues raised during the 'task group' meetings, questions still to be answered and then I will outline 'what happens next' in terms of the consultation process. It would be beneficial if the service heads made themselves available at this time for informal contact with the group members.
- 3.14 Because of the amount of information to be disseminated it is proposed that this first meeting will be scheduled for 3 hours on a Saturday (e.g. 9-45/12-45) including the buffet lunch.

2nd Meeting

- 3.15 Provisionally scheduled for early January 2005, this meeting will also take place at the Council's Green Lane Offices. In this case a shorter meeting, circa 2:00 hours, is anticipated. Again the meeting will mainly be held in plenary session.
- 3.16 This meeting would allow the Council to answer any outstanding queries that may have been raised and would then go on to address the group's priorities and aspirations for the Borough over the medium term. Finally the group would review the decisions that need to be made by elected members and seek to compare these with their own views.

Recruitment

- 3.17 It is important for the groups to be as 'representative' of the population of the Borough as is possible - with small samples of people - and that the opportunity to be involved is offered to as wide a cross-section of people as possible. Participants should be 'representative' in respect of the geography and demography of the Borough.
- 3.18 A weakness of the previous consultation exercises was that the composition of the groups themselves tended to be from the older population. In order to achieve a better balance, invitations to express an interest in being involved will be sent to a random sample of previous consultation attendees and this will be supplemented with a wider mailing to a random selection of households (500) from the Royal Mail's Postcode Address File (PAF), which gives all private postal addresses in the Borough. In addition an invitation will be issued through the October edition of 'Inform' and targeted invitations will be made to selected under-represented groups e.g. young people and members of the Black and Minority ethnic community.
- 3.19 The policy adopted during the 2004/05 consultation exercise whereby 50% of the previous years consultees were invited to attend again was felt to be helpful. Not only did it give some continuity to the proceedings it enabled informal support to be provided within the groups by those with experience of the process to the inexperienced. It is proposed that random invitations will be issued to previous attendees to try to achieve 50% attendance.

Incentive Payments

- 3.20 A small incentive of £30 per head, to cover any out-of-pocket expenses that may be incurred by those members who complete the process will be offered to members of the Focus Groups.
- 3.21 A full written report on the outcome of the consultation will be prepared by NWA for consideration during the formal budget consultation process, commencing in January 2005.

4.0 RESOURCE IMPLICATIONS

- 4.1 The total cost of undertaking the consultation process, which is not expected to exceed £7,000, can be accommodated from within the 2004/05 Budget Framework.

5. CONSULTATIONS

- 5.1 Detailed discussions have been held with NWA and the proposals set out in the report reflect consideration of the strengths and weaknesses of previous consultation exercises.

6. OTHER MATERIAL CONSIDERATIONS

- 6.1 No other material considerations have been identified. The outcome of this process will inform both the Corporate and Medium Term Financial Plans, which will be published in June 2005.

7. OVERVIEW AND SCRUTINY IMPLICATIONS

- 7.1 This report and the outcome of the consultation exercise itself will be subject to the normal Overview and Scrutiny arrangements and form part of the Councils approved Budget and Policy Framework procedure rules.

8. LIST OF APPENDICES

None

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Ward(s): Not Ward Specific

Background Papers:

Council Tax, Budget and Medium Term Financial Planning Consultation – Report to Cabinet 16 October 2003

Budget Framework 2004/05 – Report to Cabinet 19 February 2004 (Consultation Feedback)

NWA Council Tax Consultation Proposals 2005/06 – 08 October 2004

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

